BUDGET RESOLUTION/\$30 Billion Agriculture Reserve Fund

SUBJECT: Senate Concurrent Budget Resolution for fiscal years 2000-2009 . . . S.Con. Res. 20. Domenici motion to table the Dorgan modified amendment No. 178.

ACTION: MOTION TO TABLE AGREED TO, 53-45

SYNOPSIS: As reported, S.Con. Res. 20, the Senate Concurrent Budget Resolution for fiscal years 2000-2009: will cut the debt held by the public (money that the Federal Government owes to creditors other than itself) in half over 10 years; will fully fund Medicare (all of the President's proposed \$9 billion in Medicare cuts were rejected; as a result, this budget will allow \$20.4 billion more in Medicare spending over the next 10 years); will save the entire \$1.8 trillion in Social Security surpluses over the next 10 years for Social Security; will provide for \$778 billion in net tax relief over the next 10 years (in contrast, the President's budget would increase the tax burden by \$96 billion net over 10 years), and will adhere to the spending restraints (discretionary spending caps and pay-go provisions) of the bipartisan budget agreement as enacted in the Balanced Budget Act of 1997 and the Taxpayer Reform Act of 1997 (the President's proposed budget, in contrast, would dramatically increase spending in violation of that bipartisan agreement, and would result in \$2.2 trillion more in total Federal debt at the end of 10 years than proposed in this Senate budget).

The Dorgan modified amendment would strike the bill's \$6 billion reserve fund for farmers and in lieu thereof would create a \$30 billion reserve fund for farmers. That fund would allow legislation to be considered later this year, without being subject to a 60-vote point of order (see NOTE below), that would give up to \$30 billion in additional income assistance and risk management assistance to farmers over fiscal years (FYs) 2000-2004. Funding would be derived from surpluses, if any, that were in excess of the surpluses assumed by this resolution, and would be provided as mandatory spending.

NOTE: If a budget resolution does not include changes in revenues or outlays for subsequent tax or spending legislation that presumably may be enacted, a mechanism called a "reserve fund" can be added to the resolution that will allow the Budget Committee Chairman to make adjustments to it after it has passed in order to accommodate such legislation, if necessary. Reserve

(See other side)

YEAS (53)			NAYS (45)			NOT VOTING (2)	
Republicans Democrats (53 or 100%) (0 or 0%)		Republicans	Democrats		Republicans	Democrats	
		(0 or 0%)	(0 or 0%)	(45 or 100%)		(2)	(0)
Abraham Allard Ashcroft Bennett Bond Brownback Bunning Burns Campbell Chafee Cochran Collins Coverdell Craig Crapo DeWine Domenici Enzi Fitzgerald Frist Gorton Gramm Grams Grassley Gregg Hagel Hatch	Helms Hutchinson Hutchison Inhofe Jeffords Kyl Lott Lugar Mack McConnell Murkowski Nickles Roberts Roth Santorum Sessions Shelby Smith, Bob Smith, Gordon Snowe Specter Stevens Thompson Thurmond Voinovich Warner			Akaka Baucus Bayh Biden Bingaman Boxer Breaux Bryan Byrd Cleland Conrad Daschle Dodd Dorgan Durbin Edwards Feingold Feinstein Graham Harkin Hollings Inouye Johnson	Kennedy Kerrey Kerry Kohl Landrieu Lautenberg Leahy Levin Lieberman Lincoln Mikulski Moynihan Murray Reed Reid Robb Rockefeller Sarbanes Schumer Torricelli Wellstone Wyden	EXPLANAT 1—Official H 2—Necessar 3—Illness 4—Other SYMBOLS: AY—Annou AN—Annou PY—Paired PN—Paired	ily Absent nced Yea nced Nay Yea

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funds have usually been included in budget resolutions either to approve the consideration later in the year of tax-and-spend proposals or tax relief-spending cut proposals. Without reserve funds, such proposals are subject to 60-vote points of order, even if they do not violate the "paygo" (deficit neutrality) requirement for tax and mandatory spending proposals. Tax cuts cannot be paid for with spending cuts, unless approved in a reserve fund, because such approval would trigger a 60-vote point of order against considering proposals that would lower projected revenues below the revenue floor set in the budget resolution. Similarly, new entitlement spending cannot be paid for with new taxes, unless approved in a reserve fund, because such approval would trigger a 60-vote point of order against entitlement spending in excess of the aggregate mandatory outlay ceiling set in the budget resolution. Reserve funds allow the floor and the ceiling to be changed, respectively, and thus avoid the points of order.

After debate, Senator Domenici moved to table the Dorgan modified amendment. Generally, those favoring the motion to table opposed the amendment; those opposing the motion to table favored the amendment.

Those favoring the motion to table contended:

Farmers in many areas of the country are experiencing severe financial problems. This resolution seeks to help them by setting up a reserve fund that will permit \$6 billion in new crop insurance assistance. President Clinton, though he knew about this crisis, did not provide one red cent, which made it a little easier for him to claim that his budget stays within the spending caps. Now our colleagues on the other side of the aisle, who have said how wonderful it was for the President to propose a budget that restrained spending, have offered an amendment saying that the \$6 billion that we have suggested is not enough--instead of spending \$6 billion over 5 years, they want \$6 billion in spending per year, for a total of \$30 billion. When is enough enough? We suppose if we had suggested \$30 billion, they would have tried to one-up us by saying that what was really needed was \$60 billion in new money. The premise behind the Dorgan amendment almost seems to be that when farmers suffer losses the American taxpayers should be required to step in and make them whole. We note that other key sectors of the economy, most notably the steel industry and the oil and gas industry, are experiencing problems as great as the farming sector is currently experiencing, yet our colleagues have not demanded a \$30 billion additional aid package. The main problem farmers have at present is the need for additional crop insurance. The amount of aid in the reserve fund for that purpose, in our estimation, is sufficient. The President can always ask for emergency assistance later, and we will willingly approve it if it can be shown that it is an emergency requirement. For now, we urge our colleagues to table this amendment.

Those opposing the motion to table contended:

Three factors--bad prices, bad weather, and bad Federal policies--are bankrupting tens of thousands of family farms. We can save those farms by addressing the third factor--bad Federal policies. The farm program that was pushed through Congress a few years ago is a failure. It has pulled the rug out from under family farmers. Before the passage of that law the Federal Government gave twice as much aid each year to protect farmers as it gives now. The Federal Government simply is not giving enough aid.

More assistance is urgently needed because agricultural prices have collapsed. For instance, the price of wheat has dropped 53 percent since the passage of the farm law. We ask our colleagues--if it were their wages that had been cut in half, would they think that there was an emergency? If it were any other sector of the workforce would they think that there was an emergency? We do not think that adopting policies that cut the wages of computer programmers, stockbrokers, steelworkers, secretaries, accountants, or any other occupation in half would escape excited comment on the Senate floor. We do not think that farmers alone should be expected to endure such hardships.

Even passage of this amendment will be too little too late for many farmers. Vast areas of the farm belt are being depopulated. If we do not change our policies, we will destroy an enduring American institution—the family farm. Many States will be dominated by a handful of few corporate agri-businesses. There is no reason to allow that result. Until recently, agriculture was an American success story, improving the balance of trade by tens of billions of dollars and keeping alive a proud tradition of farming from generation to generation. We urge our colleagues not to turn their backs on America's remaining family farms. We urge them to support this amendment.